

The Hearing on the VAT Tax

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I have several reasons I distrust and reject the idea of a VAT tax. Some of them are:

- 1. The VAT tax is by its very nature untransparent. Taxation becomes imbedded into consumer prices and the amount of taxation to the citizens is effectively hidden.**
- 2. The VAT tax, because of its hidden nature, can be manipulated by those claiming to be social engineers. Government picks winners and losers and the system eventually will be corrupted as the avoidance of VAT taxes becomes embedded into the political fundraising process.**
- 3. The VAT tax, as clearly demonstrated in Western Europe, may have proponents that claim it has the ability to raise a significant amount of revenue but even a cursory evaluation reveals its flaws. The VAT tax has not done much to fund the rampant spending by Western European governments. Enabled for a while, these economies are now on the verge of bankruptcy.**
- 4. The VAT tax could never be employed with used products if the necessity arose. It also puts a heavy burden on high value added products that are the lifeline of a mature, advanced economy. It also would be difficult to employ with services if the necessity arises.**
- 5. The VAT tax will become infinitely complex as producers scurry to avoid the tax and develop a competitive advantage. With complexity comes its handmaiden: corruption.**

The VAT tax is mischief, corruption and social stagnation waiting to happen. It will prove to be a poor revenue provider and an onerous anchor to the economies that employ it.